

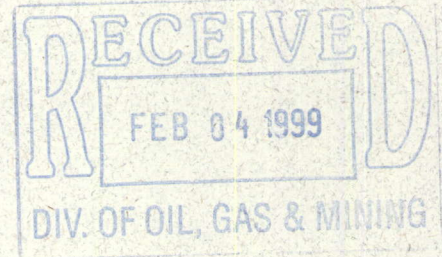
UMC

UINTAH MOUNTAIN COPPER COMPANY
341 SOUTH MAIN STREET
SUITE 401
SALT LAKE CITY, UTAH 84111
(801) 530-1045

5/013/002

January 31, 1999
File: S/130/002

State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801



Attn: Anthony A. Gallegos, Senior Reclamation Specialist

Attached is the 1998 Annual Report of Mining Operations for Uintah Mountain Copper Company's Sunshine Quartz/Hematite Claims Project as required by Utah law.

Analysis and evaluation continues on the Phase I test pit reclamation project in accordance with our plan of operation. We are waiting for a technical critique of our proposed slope stabilization methods from the US Forest Service's geotechnical engineering specialist prior to finalizing a detailed report. A copy will be sent for your records as soon as all information is obtained. The Forest Service continues with the EA on future test pit phases – with completion anticipated for this summer.

The test reclamation section performed very well and showed no substantial movement or erosion over the initial year in place. Grasses had taken to the stabilized terrace and even were observed along the face of the gabion wall. The area was re-excavated and more sample ore was obtained per agreement with the Forest Service. Once sampling was complete, backfill and seeding were performed so that the slope remained stable. Detailed information and photographs were obtained to document the success of the reclamation work. In addition to the upcoming report, the project is part of a case history paper on gabion slope stabilization in difficult terrain to be presented at the 37th US Rock Mechanics Symposium to be held in Vail, Colorado in June of this year. A copy of the pre-print will be sent to you when available.

Please forward all future correspondence to my attention at UMCC's address as noted above. I sadly must inform you of the passing late last year of our Vice President, Mike Kandar. He had been your contact in prior years. Please call us if you have any questions or need further information.

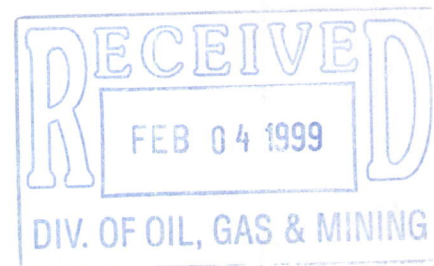
Sincerely,

Peter Kandar
Uintah Mountain Copper Company
uintahred@aol.com

PMK/

Cc: J. Bistrski (USFS)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) January 1998 To (mo./yr.) December 1998
 2. DOGM File Number (Mine No.): S / 130 /002
 3. Mine Name: Sunshine Quartz/Hematite Claims Project
 4. Mineral(s) Mined (or permitted to mine): Iron Oxide (Hematite – Pigment)
 5. Type of mine ☒ Surface Mine or ☐ Underground Mine
 6. Legal Description (Location of Lands Affected):
1/4, N 1/4, W 1/4, Section 15, Township 2N, Range 6W
1/4, 1/4, 1/4, Section, Township, Range
1/4, 1/4, 1/4, Section, Township, Range
 7. Name of Operator or Company: Uintah Mountain Copper Company
 8. Permanent Street Address: 341 South Main Street, Suite 401
City, State, Zip: Salt Lake City, Utah 84111
Phone: (801) 530-1045
 9. Company Representative (or designated operator):
Name: Peter M. Kandarīs
Title: President
Business Address: (same as above)
City, State, Zip: _____
Phone: _____
- ☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no – what was the last year of activity? _____
3. If yes – how much ore or mineral was mined? bulk samples: 62T @ pit; 50-75T @ road

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
Approximately 50-100 T of overburden were removed & replaced at reclamation test pit area w/62T of sample ore removed & stockpiled. This area was reclaimed and re-seeded with no net increase in surface disturbance. An additional 50-75T of sample ore was stockpiled from an outcrop adjacent to the road. (note: 1.37T per cubic yard)
5. How much **additional acreage** was disturbed during the past year? 0.0 acre
6. How much acreage was **reclaimed** during the past year? 0.01 acre
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
(see above) Phase I test pit area was re-excavated & backfilled, then re-seeded. Gabions were undamaged and did not require repair. Excavation and backfill work performed by track-mounted CAT312. Seeding by hand. All reclamation work from 1997 was documented and a full analysis report is forthcoming in early 1999.
8. What is the **total disturbed acreage of entire project** at years end? 0.0 acre
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
(see 1997 annual filing) Ore stockpiled in 1998 will be hauled from forest for testing. Upon completion of EA currently underway by US Forest Service, Phase II/III pit work will commence. This incorporates disturbance and reclamation in one season of a 250 square yard area adjacent to and above Phase I area.

NOTE: Section III., "Additional Information" applies only to **large mining operations**

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Peter M. Kandarlis

Title of Operator:

President

Signature of Operator

Date:

January 30, 1999

